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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 000238

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E.O. 12958: DECL: 01/28/2018 TAGS: <u>PREL PINS KISL RP</u>

SUBJECT: PRESIDENT ARROYO REVISES MILF PEACE PROPOSAL AS

MINDANAO POLITICAL FIGURES MANEUVER

REF: A. 07 MANILA 4016 (SNAG IN MILF PEACE TALKS)

_1B. 07 MANILA 3852 (METHODICAL PROGRESS IN MINDANAO PEACE TALKS)

_TC. 07 MANILA 3728 (MINDANAO PEACE PROCESS MOVES FORWARD)

Classified By: Ambassador Kristie A. Kenney for reasons 1.4(b) and (d).

(C) Summary: In hopes of resuming peace talks with the Moro Ìslamic Liberation Front, the Philippine government has prepared a revised draft territorial agreement that omits references to the issue of governance -- references to which the MILF had strenuously objected. The proposal will be formally presented to the MILF during an executive session in Kuala Lumpur, tentatively scheduled for February 7. While waiting for negotiations to resume, Muslim political figures are gearing up for planned August 2008 elections within the Autonomous Region in Muslim Mindanao (ARMM). Chief among them is regional governor Zaldy Ampatuan, who is eager to maintain power. He is actively lobbying for President Arroyo's support to be the Administration's sole candidate should the planned gubernatorial race take place, but also pushing for a postponement of the elections, which would also result in extending his rule. Separately, the Moro National Liberation Front's legal counsel is mobilizing support for a newly established Moro Party to carve out a future political stake in Mindanao. Beneath the public story of stalled peace talks, intensive political maneuvering in Muslim Mindanao is likely to increase over the next several months. End Summary.

Revised Draft Proposal

12. (C) According to government peace panel director Ryan Sullivan, President Arroyo provided "categorical clearance" for a draft territorial agreement with the Moro Islamic Liberation Front (MILF) that omits all references to the issue of how a future Muslim political entity would be governed. The Philippine cabinet's insistence on including the governance issue in a draft agreement earlier this month caused planned January 15 talks to break down (ref A). At President Arroyo's direction, the government peace panel submitted a revised draft proposal to Malaysian negotiators just prior to President Arroyo's January 22 departure to Switzerland for the World Economic Summit. Sullivan said government and MILF negotiators would be discussing the proposal during an executive session in Kuala Lumpur and/or through "shuttle diplomacy" by the Malaysian facilitator as early as February 7. There must be a meeting of minds before exploratory talks can resume, commented Sullivan, underscoring the importance of "shelving" the contentious issue of governance until after a territorial agreement is signed. "Frontloading" the governance issue would needlessly complicate this incremental negotiation process with the Governor Ampatuan Maneuvering to Remain in Power

13. (C) Meanwhile, an executive assistant to Autonomous Region of Muslim Mindanao (ARMM) Governor Zaldy Ampatuan told poloff that Ampatuan, head of Mindanao's most powerful political family, is hoping to gain political capital from the impasse in the MILF peace talks. Despite Ampatuan's public statements supporting the resumption of the negotiations, Ampatuan remains firmly opposed to the signing of an MILF peace pact, convinced that such an agreement would result in the cancellation of the scheduled gubernatorial and Regional Legislative Assembly elections in the ARMM during August 2008, and the replacement of his administration with a transitional council, according to the executive assistant. During a January 15 meeting with President Arroyo and members of the National Security Council, Ampatuan blamed the MILF for a recent outbreak of sporadic armed skirmishes in central Mindanao. Ampatuan also submitted a resolution signed by municipal councilmen in his native province of Maguindanao accusing the MILF of violating its 2003 cease-fire agreement with the government, according to the executive assistant.

Dual-Track Strategy

 $\P4$. (C) ARMM Manila Liaison Office director Muslimin Bansuan said Ampatuan appears to be pursuing a dual-track strategy to remain as governor until at least 2010. Ampatuan, along with

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41 Muslim political and traditional leaders, began appealing to President Arroyo last November to "anoint" Ampatuan as the Administration's sole candidate for regional governor in the August 2008 ARMM elections, noted Bansuan. On a separate track, Ampatuan has been maneuvering to postpone the August 2008 elections, thereby leaving himself as governor for another two years. Either way, Ampatuan would achieve his goal of remaining in power, said Bansuan.

Formation of a New Muslim Political Party

15. (C) Meanwhile, Moro National Liberation Front (MNLF) Legal Counsel Ferdausi Abbas is organizing a new Muslim political party -- the Moro Party -- in preparation for the August 2008 ARMM elections. "The Moro Party wants to show there are Muslims who can be trusted and who know what democracy is," said MNLF attorney Ombra Jainal. Jainal said the Moro Party's leadership is currently composed of Party Chairman Abbas, Tawi Tawi Provincial Party chairman Sulay Halip, and Palawan Provincial Party Chairman Ali Babao. According to Jainal, former Jolo councilman Termogen "Cocoy" Tulawie is under consideration to serve as Sulu Provincial Party chairman. The party chairmen for Basilan, Zamboanga Peninsula, and central Mindanao have yet to be determined, said Jainal.

Mobilizing Support With No Illusions

16. (C) Jainal noted that Moro Party chairman Abbas has been mobilizing support for the new political party in Muslim communities throughout Luzon. Abbas embarked on an overland trip from Luzon to Mindanao January 17 to reach out to Muslims in other parts of the Philippines. Jainal described the Moro Party's expectations for its candidates in the August 2008 ARMM elections as "modest." Jainal hoped that at least two or three Moro Party candidates could win seats in

the ARMM Regional Legislative Assembly to help shape policy. Governor Ampatuan will do everything in his power to defeat the Moro Party if it poses a real threat to his power base, commented Jainal.

Comment

17. (C) Political maneuvering in Muslim Mindanao is intense, and likely to increase, as various political and insurgent factions position themselves for a possible peace agreement between the government and MILF. While the public story remains focused on stalled peace talks, much more is going on behind the scenes, with President Arroyo continuing to press for a peace agreement as one of her legacies.

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